

## EXEMPTION FOR TELECOMMUNICATION COMPANY PROPERTY

### Prior Law

---

Telephone and telegraph companies operating a line in the State of Iowa are centrally assessed by the Iowa Department of Revenue. The Department finds the actual value of the companies' property by considering information they report annually. The Department uses that information to calculate an actual value per Iowa line mile. As centrally assessed property, telecommunication company property currently is taxed upon 100% of its value per Iowa line mile.

### New Provisions

---

Division IV of 2013 Iowa Acts Senate File 295 introduces a tiered property tax exemption for specified portions of value of the company's property. The exemption percentage is tied and applied to each specified portion of the property's value. Beginning with Assessment Year 2013, the following percentages of exemption will apply per dollar amount of value:

Total Assessed Value	\$0 - 20M Assessed Value	\$20M - \$55M Assessed Value	\$55 - \$500M Assessed Value	>\$500M Assessed Value
<b>2013 Exemption %</b>	20.00%	17.50%	12.50%	10.00%
<b>2014 Forward Exemption %</b>	40.00%	35.00%	25.00%	20.00%

For example, in Assessment Year 2013 a company valued at \$200 million will receive a 20% exemption on the first \$20 million of its value, a 17.5% exemption on the next \$35 million of its value (\$20 million plus \$35 million = \$55 million), and a 12.5% exemption on the next \$145 million of its value (\$55 million + \$145 million = \$200 million).

In Assessment Year 2014, that same company will receive a 40% exemption on the first \$20 million of its value, a 35% exemption on the next \$35 million of its value, and a 25% exemption on the next \$145 million of its value.

### Sections Amended

---

Division IV of the bill amends sections 433.4, 433.5, 433.8, and 433.9, Code 2013. In addition, section 433.6, Code 2013, is repealed. The language contained in this section is incorporated into the other amended sections.

**Effective Date** \_\_\_\_\_

Division IV of 2013 Iowa Acts Senate File 295 is effective June 12, 2013 and applies retroactively for Assessment Years beginning on or after January 1, 2013.